

Bill Would Ban Alcohol at Stadiums

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 nary report by three of its members. Nine committee members, including the representative from Scotland, were present; two, from the Soviet Union and Italy, were absent. The Italian delegate did not attend because an Italian team had been involved.
 In London, English soccer officials said the ban was deserved. "You can't measure financial loss against loss of life," said Bert Millichamp, head of the English Football Association.
 "I think it is a very statesmanlike decision," said John Smith, chairman of the Liverpool club. "And I am sure that before taking it, they have considered every aspect not only of the appalling tragedy of Brussels, but also the background and record of English clubs."
 "I like England," Mr. Georges said in an interview. "But unfortunately, every time we have big trouble, it involves English fans."
 Mr. Georges also said the federation planned to introduce new mea-

sures to increase security in and around stadiums during soccer matches.
 "Organized football alone can't solve the problem," Hans Bangerter, general secretary of the soccer union, said in an interview. "As long as the British government doesn't step in to make sure, there's little chance for change in fan attitude."
 The English Football Association voluntarily withdrew its professional teams Friday from European competition for one year. That day, Belgium imposed an indefinite ban on all British teams.
 In Brussels, a British reporter, Paul Fry of the Mail on Sunday, said he saw a man dressed in Liverpool colors fire a gun at least once at a group of fleeing Juventus fans during the riots, police said Sunday.
 Officials said none of the victims showed bullet wounds. Most were crushed or suffocated.
 In Italy, a bottle filled with gaso-

line was thrown early Sunday at the Cambridge Studies Institute in Milan. It missed the building, police said. Tires were slashed on a car with British license plates in Geneva.
 ■ **EC Steps on Violence**
 European sports ministers will adopt measures against football violence at a special meeting in September, the Council of Europe said Monday in Brussels.
 Reuters quoted council sources as saying the ministers are likely to endorse a ban on sales of alcohol around football stadiums and faster legal procedures for dealing with rowdy supporters.
 They may also call for restricted ticket sales and improved safety standards.
 The officials said the 21-nation council's Committee for the Development of Sports would complete the measures later this month for ministers to adopt for the 1985-86 season.



MARCH IN MANHATTAN — Striking hotel workers march past New York's Sheraton Centre hotel in midtown Manhattan. At least 45 of New York's biggest hotels have been strikebound since Saturday. Employees want more pay and benefits; management wants to hire new workers for less. Talks were scheduled to resume.

WORLD BRIEFS

U.K. May End Pensions Tied to Salary

LONDON (AP) — The Conservative government of Prime Minister Margaret Thatcher, declaring that Britain's costly welfare system has "lost its way," announced on Monday a proposed shake-up that would phase out earnings-related state pensions.
 A government Green Paper proposed the phase-out of the earnings-related pension plan, which now provides pensions of about half of related pension plan, which now provides pensions of about half of the average earnings to 12 million of Britain's 56 million people. The plan means many Britons draw more than double the basic state pension of about \$46 a week for single people.
 Newspapers estimated the savings would amount to \$1.3 billion of the \$52 billion that social security now costs Britain annually. Social security consumes nearly one-third of the national budget and is a prime reason why Mrs. Thatcher pledges to cut state spending and reduce taxes remain unfulfilled. She has warned that a combination of Britain's aging population and declining North Sea oil revenues will make the cost of the program "horrendous" by the end of the century.

Pretoria Completes Troop Withdrawal

PRETORIA (Reuters) — South Africa said Monday that it had recently completed the withdrawal of its last troops from Angola but gave a veiled warning that it would not hesitate to move them back if necessary.
 The statement was issued after a meeting between Foreign Minister R.F. Botha and the U.S. ambassador, Herman Nickel. Mr. Botha told Mr. Nickel that if Luanda allowed a return to the situation in 1978, when guerrillas fighting against South Africa were allowed bases close to the border with South-West Africa, or Namibia, "South African forces would have no alternative but to take appropriate action to ensure the security of the territory and its people."

Afghan Guerrillas Abandon Valley

ISLAMABAD, Pakistan (AP) — Afghan guerrillas have been driven out of the strategic Kunar Valley near the Pakistan border, whose lower half now is under control of advancing Soviet infantry that is heavily supported by armor and warplanes, insurgent sources said Monday.
 Guerrilla officials, speaking on condition of anonymity, said that all major insurgent groups had withdrawn from the valley after more than a week of heavy air and ground attacks.
 "All the major Mujahideen groups have gone now," one official said. "They could do nothing against the Russians." Guerrilla units are lightly armed with rifles and semiautomatic weapons, a sprinkling of heavy machine guns and a few portable anti-aircraft missiles.

Costa Rica Limits Links to Nicaragua

MANAGUA (WP) — President Luis Alberto Monge of Costa Rica said that his government will cut back diplomatic relations with Nicaragua to a bare minimum following what he called a "premeditated attack" by Sandinista soldiers on Costa Rican territory last week during which at least one Costa Rican Civil Guardsman was killed.
 But Defense Minister Humberto Ortega Saavedra of Nicaragua denied Mr. Monge's charges Sunday, insisting that he has proof that the Costa Ricans were ambushed by Nicaraguan rebels trying to provoke a diplomatic incident between the two countries.

For the Record

A verdict in the Norwegian spy trial of a former diplomat, Arne Treholt, will be announced in Oslo on June 20, the chief judge said Monday. Only a portion of the verdict is to be read in open court. (AP)
 Police in Belgium have arrested five persons suspected of involvement in a May 1 car-bomb attack that killed two firefighters and injured 13 other persons, Interior Ministry sources said Monday. The attack was linked to the clandestine Fighting Communist Cells. (Reuters)
 Pennsylvania was declared a major disaster area by President Ronald Reagan on Monday as a result of the severe storms and tornadoes in the state Friday night, the White House announced Monday. The declaration will permit the use of federal funds for relief. A similar declaration is expected for Ohio. (AP)
 Robert Latta, a meter reader accused of slipping into the White House during President Ronald Reagan's inauguration ceremonies in January, pleaded guilty Monday in Washington to unlawful entry and was placed on one-year supervised probation. Mr. Latta, 45, will serve the sentence in Denver. (AP)
 Ground workers for Alaska Airlines voted Sunday in Seattle to end their three-month strike, agreeing to a contract they had overwhelmingly rejected last month. (AP)

Spending Scandals Hurt Weinberger's Credibility in Congress

(Continued from Page 1)
 growth to only enough to cover inflation, instead of the 6 percent after-inflation increase that Mr. Reagan had sought.
 "It has begun to stick up here," Mr. Pryor said, pointing to his head. Mr. Weinberger "never did meet a woman he didn't like. He has suffered so many body blows — the coffee pot, the toilet seat, Allen wrenches, the claw hammer, all this stuff — that his credibility has suffered severely." Mr. Pryor was referring to reports of extremely high unit prices charged by military contractors for these items.
 "He should have called somebody in long ago to deal with all these problems and said, 'You've got it. Then call everybody in and read them the riot act and say, 'This is the guy you're going to be dealing with.'"

Congress to reduce the military buildup. Others are:
 • The menacing cloud of growing federal deficits.
 • The growing realization that so much military money has been appropriated but not spent that the Pentagon budget would grow by at least 3 percent for the rest of the decade even if it received only enough additional money to offset inflation.

900 Romanians Awaited by Bonn

BERLIN — West Germany is expecting 900 Romanian refugees to come into the country through West Berlin in the coming month, the city authorities said Monday.
 A group of about 30 Romanians entered West Berlin last week by threatening a sit-down strike at the border with East Berlin if they were not admitted, a West Berlin Senate spokesman said. The Romanians, who said they were political refugees, had been allowed to leave their country and fly to East Berlin, the Senate spokesman said.
 He said that West German Interior Ministry officials were expecting up to 900 more Romanians to reach the West through the city, where there are no border controls for incoming visitors from East Germany.

• The "fairness issue," or the conviction that the Pentagon must take a larger share of the cuts in government programs.
 Mr. Weinberger has tried but failed to extinguish the criticism. Last week, when it was revealed that the government was paying Grumman Aerospace Corp. \$659 for shuttles, Mr. Weinberger approved the transfer of three top navy officers.
 Two of the officers protested publicly that they had assumed their posts after the purchases and desired their treatment. Navy officials have said the officers could be reinstated after an investigation.
 "He's been a strong and successful advocate," Mr. Pryor said. "Weinberger can sell, but he doesn't inspire. So he's not a

Churchill, who could not only inspire in his country but the whole world. He's a salesman and, I imagine, a pretty good poker player."
 "If I were White House chief of staff, I'd keep Weinberger around until this appropriations cycle was over. To move him out now, we'd have to start all over. I'd let it be known that by Thanksgiving we'll have to make a change, but would ride with him on this last wave to the beach."
 Mr. Weinberger has his supporters. Mr. Goldwater said Mr. Reagan's rearmament program is in deep trouble, but not because of Weinberger.
 "Cap isn't the problem," Mr. Goldwater said. "It's the manufacturers; the problem is wrapped up with these manufacturers. It's just not a good season for defense" be-

cause of excesses in billing that have come to light.
 Mr. Goldwater and two other Republican senators, Strom Thurmond of South Carolina and Steven D. Symms of Idaho, said Mr. Weinberger should receive high praise for raising record amounts of badly needed money for the armed services and alerting the nation to the dimensions of the Soviet threat.
 Mr. Weinberger, responding to the criticisms, said, "The longer one's tenure, the longer the list of people who didn't get what they wanted."
 "We're more or less a victim of our success over the last four years in that some people say now it's time to call a halt," he said. "But the threat hasn't diminished. It has increased."

After Shaky Start, Regan Takes Firm Control

(Continued from Page 1)
 events" to create a single, definite impression of presidential activity and purpose. Mr. Baker and Mr. Deaver tried, often successfully, to focus coverage on a single event that would advance the White House "theme of the day."
 In the second-term White House there often are many events and many themes. On Memorial Day last week, for instance, an official said
 the White House team expected that reporters would emphasize Mr. Reagan's wreath-laying ceremony at Arlington National Ceme-

tery because "so much was made of the visit to Bitburg."
 Instead, much of the news coverage focused on a remark Mr. Reagan made in Miami, where he accused the Democrats of "segmenting America into warring factions over the years pitting white against black, women against men, young against old."
 Mr. Regan and Mr. Buchanan say they hope to limit the number of major issues they take on at any one time.
 "I think anyone, not just Reagan, is better off when he's focused on one thing at a time instead of trying to do several major things,"

Mr. Regan said last week. "I think that one major theme should be struck at one time."
 Although conflicts in the current White House do not approach the dimensions of the battles between Mr. Baker and Edwin Meese 3d, now attorney general, in the first term and later between Mr. Baker and William F. Clark, then the national security affairs adviser, several officials say that relations between Mr. Regan and Mr. McFarlane are cool.
 "Regan wants to be prime minister, and McFarlane sees himself as the guardian of the national security portfolio," a administration official remarked.

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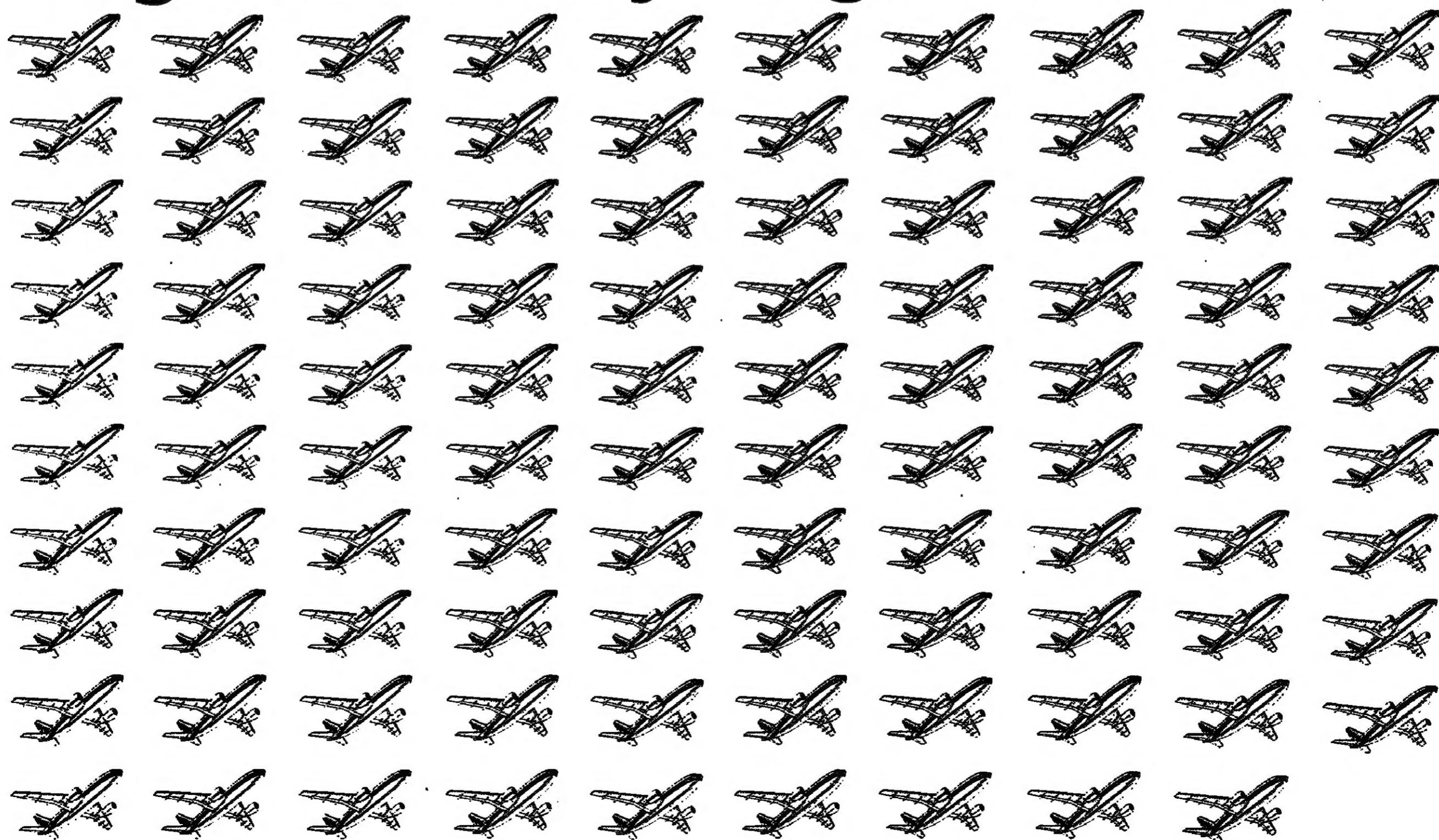
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INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Three Soviet Prisoners

This is how it goes for three Soviet dissident scientists, all political prisoners:

Andrei Sakharov may have gone on another hunger strike this spring, perhaps for five days, for the same reason that he has in his earlier strikes: to make the Soviet authorities choose between letting his extremely sick wife seek medical care in the West and taking responsibility for his death. By one account he was force-fed at a hospital and has since returned to his home in internal exile — in illegal exile, according to Soviet law, such as it is, since he was never tried and sentenced and has now been exiled longer than the longest allowable term. The most recent news received by relatives in the United States came in a postcard signed by his wife. Professional analysis showed it was a forgery, which raises the disquieting possibility that the routine and reassuring news it contained was transmitted on the assumption that the Sakharovs might not be in a position to tell the truth.

Yuri Orlov continues to live in appalling conditions in the remote Siberian village to which he was exiled after completing a harrowing seven-year prison term for "slander" — he had been working to hold the Soviet Union to the international human rights commitments it formally undertook in the Helsinki accords. The Katskaev prospect, now looms that his wife, Irina, who lives in Moscow, will be tried

for "slander" — for doing what she can to maintain lines to her husband and to those concerned about him. To avoid going to jail she may have to ask to emigrate, in which case she would be cutting the lines.

Anatoli Scharansky, a scientist and dissident and also a Jew, is in the ninth year of a term in a Ural labor camp, having been put away on a palpably phony spy charge. A period of relatively good treatment in the camp was followed by renewed isolation and severity, the effect if not the intent being to demonstrate the government's continuing indifference to humane international opinion.

The three men are, of course, merely among the most familiar in the West of the many hapless individuals on whom the Kremlin is practicing its characteristic Stalinist abuse. The Western information network can keep track of only a relatively few victims at a time. You would think that the Soviet authorities, realizing this fact, would exploit it by allowing these conspicuous names to leave the country. The point would be not so much to end their misery as to reap political credit. This would be a cynical policy, but one making political sense, especially in a period when a new Soviet leader is taking certain strides toward a refurbished relationship with the United States. How will Mikhail Gorbachev play it?

— THE WASHINGTON POST

Positive but Improvable

When first elected, President Reagan proclaimed that the power to tax "must not be used to regulate the economy or bring about social change." Four years later, he now proclaims a tax program to achieve nothing less than "the second American Revolution." Such hyperbole aside, his proposals point toward significant progress in tax policy. Since its social goals are now acknowledged, the nation can clearly debate what they should be.

Mr. Reagan's premises and commitment are admirable. As many have long argued, the tax code has become unfair, complex and a drag on economic growth. The president's remedies head in the right direction. But he is wrong to put tax rate reduction ahead of fairness, and he strays too far from the goal of taxing all forms of income in essentially the same way.

The best feature of Mr. Reagan's plan, and surely its main purpose, is its sizable reduction in tax rates, both personal and corporate. That alone could remove many distortions from economic life and get people back to reckoning in real rather than tax dollars.

Also admirable is the extent to which the president would strip away deductions, exemptions, credits and other fancy gimmicks that warp America's spending and investment. He would remove the federal subsidies for expensive business meals and football tickets and the building of shopping malls. He would at least reduce the artificial lure of much real estate investment and other shelters.

But in redesigning the purer reform proposed by his Treasury, Mr. Reagan injects some dubious political objectives. By repealing the deductibility of state and local taxes, he

would begin to starve the budgets of local governments as he has tried to starve federal spending. Yet he would spend sizable revenues for a big increase in personal exemptions, a larger benefit for big taxpayers than for small.

Downright unfair are some of the special lures that Mr. Reagan holds out to influential constituencies. Although he would kill the oil depletion allowance, he retains special deductions for oil drilling. Most distressingly, he would give still more favorable treatment to capital gains, preserving the huge distinctions between income from wages and the appreciation of stocks or paintings. The president contends that this favoritism is necessary to stimulate investment and growth. But his hardly socialist Treasury thought otherwise just a few months ago and offered the much better idea of discounting capital gains for inflation and then taxing it like all other income.

Especially worrisome is the proposal to tax monies paid in taxes to state and local governments and thus to attack their services, even as Washington sharply reduces aid to those services. As former Senator Jacob Javits observes, the inevitable losers would be the poorest Americans who depend on local services. Washington would honor the deductibility of taxes paid to Saudi Arabia or Japan, but not those paid to Minnesota or New York City.

The administration has now produced two stimulating tax revisions, proving that many of the components are interchangeable, without enlarging the deficit. Mr. Reagan's package is impressive but far from ideal by his own stated objectives. Congress can make it better still.

— THE NEW YORK TIMES

Other Opinion

No Real Change in South Africa

An intense study of the situation in South Africa by Los Angeles Times reporters and outside experts indicates that new initiatives and an alternative to President Reagan's policy of constructive engagement are required if the risk of a bloodbath is to be reduced.

There has been no fundamental change in the policy of apartheid. There may be no way to contain the spreading violence, but if there is a way, it is by ending apartheid.

American businesses operating in or with South Africa should probably remain for the time being, but they must do more to persuade Pretoria to dismantle the apartheid system. The Sullivan principles, setting forth appropriate workplace conditions and committing companies against apartheid, will remain little more than a screen designed to justify remaining in business with South Africa unless they are used aggressively for fundamental change.

There is a susceptibility of managers to stockholders, but too often stockholders have not used that authority to prod the managers into full and aggressive compliance with the Sullivan principles. Divestment is an appropriate reaction only if managers refuse.

There are now proposals for legislation to bar new investments, limit bank lending and control trade. That is premature. Economic sanctions have rarely if ever been an effective instrument for bringing about peaceful change. It is better at this stage to test

the leverage still in the hands of those doing business with South Africa.

For more than four years now the Reagan administration has opted for soft talk in public and tougher talk in private to win concessions from South Africa. This has served to encourage nothing more than superficial change. The change that really matters, ending racism, is as distant as ever. The blacks are not impressed with the lifting of segregation rules in some public places when they remain without political and economic rights.

The depth of American revulsion would become clearer if the polite rhetoric of the administration were reinforced. One step would be tighter trade restrictions on sensitive items, including high technology. There are items on the list of exports with strategic implications that should not be permitted, given the risks to South African stability brought on by the stubborn pursuit of racism.

Nothing may be accomplished by pursuing the full implementation of the Sullivan principles, by tightening strategic exports, by making sure that the American commitment to peaceful change is not seen in Pretoria as license to perpetuate racism. But if change does not result, the issue of divestment may be academic. The opportunity for investment most likely would, along with the opportunity for peaceful change, be lost in violence made inevitable by an elite blinded by its privileges from seeing the options that still exist.

— THE LOS ANGELES TIMES

FROM OUR JUNE 4 PAGES, 75 AND 50 YEARS AGO

1910: Socialist Plot Foiled in Japan

YOKOHAMA, Japan — A great Socialist plot against the Government has been discovered, with ramifications so extensive and interests so enormous that the newspapers are forbidden to publish details. It is known, however, that several notorious agitators disguised as laborers employed in the Government factory near Matsumoto, in the Nagano Prefecture, have been secretly manufacturing bombs for the purpose of killing Count Katsura and other members of the Cabinet. The ringleaders, one of whom is Shuzui Kotoke, an educated man and an excellent writer, have been arrested in the Amanoya Hotel, near Hakone. Two women were among the prisoners. Count Katsura is the special object of hatred owing to his drastic measures against the Socialist party.

1935: Baluchistan Quake Kills 40,000

QUETTA, British Baluchistan — It is estimated that forty thousand persons lost their lives in the [May 30] Baluchistan earthquake. Six thousand who were injured are now being treated in hospitals. Another shock was felt [on June 3] but beyond shaking down a few buildings already ruined it did no damage as far as can be learned. A previous secondary shock, which was more extensive, damaged the railroad and caused a re-routing of refugee trains leaving the stricken area. Over 3,000 troops have been engaged in clearing out the Indian quarter of the city and there are 5,000 survivors camped near the railroad. Searching the wreckage for bodies is not expected to be completed for many days. Thousands of the dead still lie buried in the ruins.

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U.S.-Soviet Relations: The Grim Horizon

By Marshall D. Shulman

This is the first of two articles.

NEW YORK — Sometimes on the Great Plains of America you can see a tornado coming from a long way off. That is the situation the United States faces in its relations with the Soviet Union just now.

Unless something changes, we are in for a long period of unregulated military competition and consequent higher tensions. Neither country wants it. Both countries will face tough domestic problems as a result. In addition, America will have increasingly difficult alliance problems. But each country thinks it is up to the other to move.

American public opinion, preoccupied with taxes and budget-cutting, is confused first by mixed signals on U.S.-Soviet relations, and also — to the extent that it is giving any thought to the shift in strategy to a "star wars" defense against missiles — by the mistaken belief that a decision limited to research will postpone the problem.

What keeps the public from seeing the dark cloud ahead is that the relationship is moving in different ways at different levels.

The atmosphere has been better since President Reagan delivered a speech of somewhat more conciliatory tone in January 1984. At the level of secondary issues, there is talk of trade, new consulates, regional interests and so on. There is even a muted going on about a possible Reagan-Gorbachev meeting in the fall.

But on the most important issue, management of the nuclear military competition, the positions of the two countries seem to be intractable, with no sign of movement as the second round of negotiations starts up in Geneva.

Before long it will be clear to all that even if the talks continue as a public relations exercise, both countries will be deploying new weapons systems now in their pipelines: ballistic missiles, cruise missiles, submarines and bombers.

This will beget tension, from which the atmospheres and the secondary issues will not be insulated. It will heighten strains in the Atlantic

alliance and in Soviet and American societies. This outcome is not foreordained. It will depend upon choices that are waiting to be made in Moscow and in Washington.

On the Soviet side, the new leadership faces major decisions. In anticipation of the 27th Communist Party Congress next February, the leadership is drafting a new five-year plan that involves calculations about trade, military costs and domestic goals. The Kremlin is also at a



The writer, professor of international relations, directs the W. Averett Harriman Institute for Advanced Study of the Soviet Union at Columbia University in New York. He contributed this comment to The New York Times.

crucial juncture in one of its regular five-year military planning cycles.

Mikhail Gorbachev has made clear that his priority is to concentrate on modernizing the economy. Logically, this gives him an interest in better relations with America if possible, not only to improve trade but, more importantly, to avoid still higher drains into the military sector.

Although the incentives for the United States to seek agreements with the Soviet regime to moderate the military competition are strong, Moscow is also determined not to appear weak. It is a mistake to believe, as some in America do, that Soviet domestic problems and the pressure of new U.S. military programs will compel the Soviet leadership to capitulate and accept agreements it regards as inequitable.

The crucial obstacle to agreement in the Geneva negotiations is the proposed Strategic Defense Initiative, or "star wars." To Moscow, the SDI is a disguised way of forcing the pace of competition in advanced-technology weapons, in which superior technology gives the United States an advantage. By no conceivable logic can the Russians be expected to agree to reduce their offensive missiles while America is moving to gain military control of space, in addition to the new bombers, missiles and submarines that the United States is building under a nearly doubled military budget — which will continue to increase for the next several years even if Congress were to grant no new spending authority.

The Russians will instead build more missiles and more warheads. And America will make it easier for them to do this if it decides no longer to abide by the limits of SALT-1 and -2.

The writer, professor of international relations, directs the W. Averett Harriman Institute for Advanced Study of the Soviet Union at Columbia University in New York. He contributed this comment to The New York Times.

To Be Lebanese Means to Keep On Coping

By Herbert H. Denton

This is the first of two articles.

WASHINGTON — Lebanon is so good at making do amid war and chaos that its upheavals seem capable of going on forever.

It is not so long since I lay flat on my back in the American University hospital in Beirut with a severe infection. Shells crashed a few blocks away. Hospital staff tried to maintain their routine. I was visited daily by doctors and a white-starched entourage of serious-looking medical students with clipboards who took notes and nodded gravely at me.

All around was barely contained chaos. Crowds milled around the lobby seeking to be admitted. A few days

Keen calculation is at the core of the Lebanese psyche, whether in trade and finance or in war and politics.

before, armed Shiite fighters in rag-tag fatigues had held up hospital staff in the packed intensive-care unit to force them to remove a critically ill man and make room for the ailing father of one of their guerrillas.

Suddenly one day, a waiter I knew from the Rigoletto, an elegant little Italian restaurant in my neighborhood, burst into my room. Learning that I was in the hospital, the owner had decided to send up a little surprise. The young waiter balanced a tray of pasta, salad and pastry with one hand and carried a bottle of wine, a wineglass and a corker with the other. He had walked 10 blocks up a steep hill from the seaside restaurant to bring me dinner.

The Lebanese are master improvisers. They even improvised a deceptive semblance of a nation in the calm, glorious three decades after independence from France in 1943.

They take a perverse pride in being able to cope — indeed, often to thrive — in dire adversity. They bear up against trouble with a dignity that is often surreal in the circumstances. They dismiss disaster with a wave of the hand and a one word utterance — "malahe" ("never mind"). I always thought of that as the national motto.

I never thought that the Lebanese were innately bloodthirsty. Indeed, while Lebanon they have always worked hard, prospered and lived peacefully. On the west coast of Africa, for decades, they have been the merchant class. In the Gulf region, as the oil states modernized, they and the Palestinians formed the core of the professional class.

The Lebanese continue to be supremely confident that whatever they destroy they can quickly rebuild, and that in the interim they can cope.

A joke told by all factions is that of the 11-year-old boy who has just immigrated with his parents to New York and is being tested in the neighborhood elementary school. "What's two and two?" the American schoolteacher asks the boy. He pauses to think for a moment, then responds, "Are you buying or selling?"

Keen calculation is at the core of the Lebanese psyche, whether it is in matters of trade and finance or war and politics. I recall an aide of Robert C. McFarlane, President Reagan's national security adviser, telling how the Americans replaced a large window in the ambassador's residence that had been blown out by shelling. They discovered that a former president of the republic who always responded agreeably to their appeals for national reconciliation had put his money on war. He had cornered the market on pane glass.

When I arrived in Beirut in January 1983 I discovered that even poor Shiites, existing in the most miserable of human conditions, displayed the Lebanese national way of coping.

The grand old waterfront hotel on the northern tip of the city had long since been battered beyond recognition and were serving as crude shelter for some of the hundreds of thousands of country folk who had fled to the capital from the cross fire of the Palestinian-Israeli war to the south. In these bombed-out shells there was neither electricity nor running water. Yet a telltale sign of the squatters' presence was the lines of freshly washed clothes hanging out to dry.

There was even a routine to the war. Housewives would scurry out to

shop in the early afternoon because they knew fighting would taper off while the guerrillas ate a big lunch. Everyone knew there would always be at least one day late in the month when hostilities ceased — payday.

If Lebanon is unfathomable and bruising for outsiders like Israel and the United States, it is not because there are no rules to the game there. Rather, I believe, it is because behind the Western veneer, the democratic institutions, there were social arrangements that stood Western understanding of logic on its head.

In a nation of religious minorities vying for position in a violent, volatile atmosphere, one such rule is that



The writer is a Beirut bureau chief in 1983 and 1984.

in weakness there is strength. The corollary of this is that to be temporarily strong and dominant is to be in a very precarious situation. Others inevitably band together against you. Ariel Sharon failed to understand this when he tried to rewrite the political map of Lebanon. Israelis still bemoan the assassination of their chosen leader of Lebanon, Bashir Gemayel, as if it were a cruel accident of history. They still do not see it as the likely outcome of their efforts to

change the cardinal rules of the game. The Shiites, dominant in the capital now, understand the dynamic all too well, although they are at a loss to see how to get out of their current predicament of superiority. They appear to have prevailed in their battles to keep the PLO from establishing itself in Beirut, but they are painfully aware that their successes in combat have come at the price of appearing as the heavy, which sets them up for similar counter-treatment later on.

When Lebanon has worked — which has not been for the last 10 years — it has not been because of any consensus on national purpose, says Jamil Mouawad, editor of the English-language Beirut Daily Star. The equilibrium meant merely balanced opposing forces were finely balanced for doing business. This favored style of dealing is universally known as "the Lebanese solution."

A reporter for the National Geographic, on a trip to Lebanon in the late 1960s as the fragile calm began to fall apart, found "transactions of such complexity and boldness as to give pause to even the most audacious of entrepreneurs... Consider, for example, the Lebanese trader who sold some French-made pianos to a Brazilian merchant, accepting a shipment of peanuts from Senegal as payment. He then sold the peanuts to a German firm with the stipulation that he be paid in U.S. dollars."

The Lebanese are fond of these jerry-built arrangements and especially revel in ones with hidden built-in parts. One of the less complex of those I encountered was a deal struck between the Christian commanders of the U.S.-built Lebanese army and a brigade of Muslim soldiers that defected to the Shiite militia, Amal.

Akaf Haidar, an Amal leader, recalled later that once the impoverished militia had gained control of the brigade, they were faced with the problem of paying, feeding and arming it. Their solution was to request provisions from the Christian commanders against whom the brigade was in revolt. The commanders initially refused, but militia leaders reminded them that the Central Bank was in the area controlled by the rebels, who could seize it. So a deal was struck to allow paymasters and supply trucks through the lines.

If the Lebanese are good at these kinds of arrangements, they never seem to exhibit any patience with the drudgery and detail involved in the profitless art of governing. Ministries were often filthy and disorganized, in contrast to the impeccable cleanliness and efficiency of private offices. Corruption was brazen and rampant. A clerk once demanded a \$50 bribe to process my application for a work permit. He explained that he had given all his savings into a little business because of the war, business was poor. "All I have is what I take from the ministry," he sighed sadly.

The writer was The Washington Post's Beirut bureau chief in 1983 and 1984.

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The writer was The Washington Post's Beirut bureau chief in 1983 and 1984.

LETTER TO THE EDITOR

Amateur in the Embassy

The International Herald Tribune has done well to air the question of political ambassadors. America is the only serious country not to recognize diplomacy as a profession, thereby perpetuating the 19th century European tradition of naming "aristocrats" as ambassadors.

Professional diplomats accept that special circumstances may call for a political appointee, and a few outstanding nonprofessionals are remembered. These few, however, all had exceptional qualifications and preparation, from extensive public service or closely related experience.

Career diplomats keep hidden their horror stories about the gaffes, or worse, of many politicians. Awareness of the Herculean efforts professionals frequently make to limit the damage of political appointees might lead to a demand for more seriousness in choosing ambassadors.

An ambassador's complicated functions include, in addition to advocating U.S. policy, the capacity to report events in the host country.

Humiliated By Violent Offspring

By Flora Lewis

VARNA, Bulgaria — Moscow radio, which dominates the air in all languages hereabouts, has had a lot to say about the murderous football riot in Brussels last week.

Football — that is, soccer — is one thing Eastern and Western Europe have in common. Bulgaria beat Yugoslavia a few days ago and it was a cause for national celebration. Russians are passionate about their team. So the mad behavior of English fans attending a match with Italy, leaving 38 dead and hundreds injured, was a matter of special interest.

Moscow's commentator claimed to have the explanation. English youths, he said, are driven crazy by unemployment, by a decadent society that offers them neither hope nor purpose. They go berserk to express their revulsion at the Western system.

In response, it is of course easy enough to denounce the abuse of freedom in a part of the world where freedom is limited to accepting authority. Still, it is disturbing that some Western youths hold so low the values of civil behavior, appreciate so little the right to travel where they please, to speak and dress and think as they please. These rights are denied in much of the world.

To her credit, Prime Minister Margaret Thatcher neither made nor accepted any excuses for her country. British football teams will be kept out of Continental competition for a year and Parliament will be asked to push through much stricter laws to keep order when games are played.

But there is something more nagging at the back of the mind, something missing in our understanding of our social problems. It is sharpened by hearing all this from the other side of the East-West divide.

Here, on what has been called the Red Riviera on the wide beaches of the Black Sea, there is utter calm. Young people are decorous. They have to be, or they risk bad trouble. Family ties are tight, by necessity as well as tradition, since it is so hard to get a place to live, to win some independence and achieve some mobility.

A Westerner feels a reflex of distaste for so much external constraint, so much politeness, so much deliberate organizing and mobilization to ease the individual in an iron mold of conformity. He is told about "scientific programs" for the "socialization of youth." When you ask what on earth that means, the vague answer is to teach them how to behave and be useful to society.

That is meaningless — or worse, deliberate obfuscation by a power system imposing its demands for enthusiastic obedience. But it leaves an unspoken question about what is going wrong in the West.

It seems obvious enough what is going wrong in the East. There isn't any sparkle room. People are supposed to be "socialized," which means repressed in a way to guarantee that regimes cannot be challenged and individuals cannot dissent. The result is a drag on people's lives. Right is what each superior layer says is right. And there are certainly layers here, organized by money when it comes to whether payment is in solid Western currencies or only the local tender; organized by rank when it comes to privileges.

Back to the football syndrome, and the radio. Violence for wild tribal reasons is widespread. There are Tamils and the Sinhalese brutally murdering each other in Sri Lanka. There is Beirut full of heavy arms ever being turned against yesterday's ally to get the jump on tomorrow's enemy lest he manipulate an advantage.

No doubt there is much more distress that does not get on the radio, because there is nobody around willing or able to report it for people who are curious about the world. Assumptions are so easily acquired. Some parts of the world can be expected to do awful things. Other parts can be expected to hide them.

The shock comes with compulsory recognition that we harbor the capacity to be dreadful in the part of the world we think we know.

All those other bloody fights and surly relations seem so about grievances that are understandable if not a justification for the way people behave. But a football game? How does that acquire the status of substitute target for the lust to identify an enemy and wreak harm?

There is a lot to ponder, in the excesses of order and disorder. It is irritating, but humbling, to hear in the East that the West doesn't do any better in bringing up its children to make the world less vicious.

The New York Times.

ROBERT F. ILLING, Porto, Portugal

Arms Concern Employee Linked to U.S. Spy Case

By Philip Shenon
New York Times Service

WASHINGTON — An employee of a military contractor in California has been implicated in a purported Soviet spy ring, government officials said.

The employee, a former U.S. Navy worker who lives near Sacramento, California, has been questioned by federal agents, the officials, who asked not to be identified, said Sunday night. They said he was suspected of smuggling secret material from the Alameda Naval Air Station near Oakland, but declined to be more specific about the type of material.

A retired navy communications specialist, John A. Walker Jr., and his son, Michael Lance Walker, a seaman aboard the nuclear carrier Nimitz, have been indicted on charges of espionage for the Soviet Union. John Walker's brother, Arthur J. Walker, a retired navy lieutenant commander and engineer for a defense contractor, has been arrested on similar charges.

The officials also said that John Walker, who has been accused of being the leader of the purported ring, was hired by the navy to give polygraph, or lie detector, tests to sailors charged with misconduct, a post that may have given him access to highly classified information.

According to the officials, classified military documents were found in the office of Arthur Walker, who worked most recently for VSE Corp., a military contractor based in Virginia.

The documents, the officials said, included information about designs for ships that would be used as command-and-control centers at sea.

The sources said that the California man, who has been identified in affidavits only as "D," had permitted federal agents to search his home.

Mother of Trial Witness Dies in Bombing in Italy

NAPLES — The mother of a man who has been testifying against co-defendants in a large-scale trial of suspected members of the Camorra, or the Naples Mafia, was killed by a bomb explosion early Monday, the police said.

Francesca Pandico, 65, died when the bomb went off under the cabin in which she and other family members lived in a camp near Naples for victims of a 1980 earthquake. Her son Giovanni is one of about a dozen witnesses on whose evidence the state based its case against 640 suspects.

They would not say what was found inside, nor would they describe the ties between "D" and John Walker. In a secret message to a Russian diplomat, Mr. Walker used the code name "D" to describe the California man, the officials said.

A former employee of John Walker's private detective agency in Norfolk, Virginia, said that Mr. Walker had made frequent trips to San Francisco to visit a business partner.

The officials have said that at least three California men who worked with Mr. Walker in the navy are under surveillance by law enforcement agents.

More Surveillance Urged
Ronald J. Ostrow of the Los Angeles Times reported from Washington: Bobby R. Inman, a retired admiral and a former deputy director of the Central Intelligence Agency, called Sunday for an increase in surveillance of Soviet bloc agents in the United States.

Following the charges of spying activity lodged against members of the Walker family, Mr. Inman said that the Naval Investigative Service has three times as many agents looking for waste, fraud and abuse — "the \$600 ashtray cases" — as agents hunting for spies.

"Frankly, we tend to allocate the talent we have against the problem that's got the current headline," he said on a television interview program.

Mr. Inman said the government could not put the 4.3 million Americans who hold security clearances under surveillance. "So you begin with absolutely blanketing every legal, accredited prospective case officer in this country," he said.

Case officers, as they are called in the intelligence community, are officials that Soviet bloc countries send to the United States as part of their embassy or United Nations staffs. Protected by diplomatic immunity, their real mission is intelligence-gathering and recruiting spies.

In the early 1970s, the United States moved to improve trade and foreign relations with Communist countries, and in the process "more than doubled the number of prospective case officers," Mr. Inman said. At the same time, the Federal Bureau of Investigation and military services were reducing the number of counterintelligence agents they had.

Since then, however, although Mr. Inman did not mention it, the FBI's counterintelligence budget has increased sharply, and the ratio has improved, intelligence sources said.

De Lorean Announces Plans To Build a New Car in Ohio

The Associated Press

LOS ANGELES — John Z. De Lorean, the automaker whose venture to make a luxury sports car in Northern Ireland failed, says he will set up a plant in Columbus, Ohio, to produce a new high-performance car.

Mr. De Lorean said in an interview that he has been working on the car for about six months and that the assembly operation could be established soon.

The Los Angeles Herald-Examiner quoted Mr. De Lorean as saying late Sunday that his role in a new company, if one is created, has not been defined.

Sources in Ohio and in Northern Ireland said Mr. De Lorean hoped to produce a car similar to the DMC-12, which was built by De Lorean Motor Co. from 1979 until the company failed in 1982, the Detroit Free Press reported Sunday.

Marvin Katz, vice president of Kapac Co., an auto parts distributor based in Columbus, Ohio,

whose company acquired most of De Lorean Motor's parts inventory, said the new car would be a modified DMC-12 "with a larger engine and transmission and wheels." He would not identify other companies and individuals he said were backing the latest effort.

The DMC-12 was built in Northern Ireland, with the British government contributing about £77 million (more than \$140 million at 1982 exchange rates). The British government and a large number of other creditors have filed civil suits in Detroit to recover some of their losses, and the legal implications of a new De Lorean car venture were not immediately clear.

De Lorean Motor filed for reorganization under U.S. bankruptcy laws in October 1982, but was placed under liquidation after a hearing in a Michigan court.

Mr. De Lorean remains under investigation by a federal grand jury in Detroit, his lawyer has



John Z. De Lorean

said. The grand jury reportedly is investigating Mr. De Lorean's business activities, including allegations by creditors that he had misappropriated millions of dollars in the Northern Ireland venture.

Raids End Salvadoran Hospital Strike

By Robert J. McCartney
Washington Post Service

SAN SALVADOR — Hundreds of Salvadoran military policemen and national guardsmen carrying automatic weapons burst into five hospitals and 20 clinics of the state-run health system around the country to end a four-week takeover by striking health workers.

The armed forces reported that four police "observers" — unarmed and not in uniform — were shot and killed in the action before dawn Sunday at San Salvador's General Hospital under uncertain circumstances.

One patient was reported to have died of a heart attack during the raid, but neither the military nor the strikers reported that any civilians were killed or wounded there, and fragmentary reports from outside the capital listed no casualties.

The police actions apparently were designed to crack down on what President José Napoleón Duarte charges is "subversive" use of the union movement by El Salvador's leftist guerrillas to destabilize his government.

The state health workers' strike technically was illegal. But officials acknowledged that such stoppages have been tolerated since 1979 without use of force. Mr. Duarte lashed out at unions in his state-of-the-nation address Saturday in a wide-ranging criticism of the Salvadoran left.

In addition, the government

sought to show that it could use force without resorting to the kind of brutality that the three military security forces — national police, treasury police and national guard — have been accused of in the past.

"We've tried to do everything with the professionalism that the armed forces now have achieved," said Lieutenant Colonel Enzo Rubio, who commanded the units that entered General Hospital.

Neither Colonel Rubio nor witnesses provided a clear account of how the "observers" were killed, although strikers suggested that they had been shot by other policemen.

The government said that patients who had left the hospital during the union takeover had reported that the strikers had pistols and possibly a machine gun, but the strikers denied it.

At General Hospital, where the government called a group of mostly American reporters to be present during what was termed a "dislodgment," a special team and more than 100 military security agents bound the hands of several hundred hospital workers with twine and forced them to lie on the floor. The workers, including doctors and some nurses, were released after their identification documents were checked.

Embezzler in Tennessee Gets 20 Year Term

The Associated Press

KNOXVILLE, Tennessee — Jake F. Butcher, the financier whose theft of \$20 million from his banks led to their financial ruin, was sentenced Monday to two concurrent 20-year prison terms.

He will be required to serve at least a third of his sentence. Twenty years was the maximum Mr. Butcher could receive under a plea-bargain arrangement with prosecutors.

U.S. prosecutors had urged U.S. District Judge William K. Thomas to sentence Mr. Butcher to the maximum term on the first of three bank fraud convictions.

Only the maximum sentence will "provide the necessary punishment and serve as a deterrent to others," U.S. Attorney John W. Gill Jr. told Judge Thomas.

Mr. Butcher was indicted twice on bank fraud charges in Knoxville, once in Memphis and once in London, Kentucky. The collapse of his flagship bank, the United American Bank of Knoxville, led to the failure of eight banks in Tennessee. Eleven other banks in Tennessee and Kentucky had to be sold or merged.

The financier accepted a plea

For a U.S. Bureaucrat, a Life of Spice

Price and Supply of Condiments Are the Esoterica of Work

By Ward Sinclair
Washington Post Service

WASHINGTON — Sooner or later, someone will wonder about the world celery-seed situation, so here's some of the news crossing the desk of Rex E.T. Dull, the man at the U.S. Agriculture Department who keeps tabs on the spice trade.

The good news is that prices early this year were down from last year's exceptional highs, which were caused by civil strife around Anantpur, India. India produces most of the world's celery seed.

The bad news, according to late intelligence, is that unrest is boiling up again, and nobody knows what will happen to celery-seed supplies.

The nutmeg picture, on the other hand, is a bit clearer. Indonesian nutmeg is doing well; nutmeg from Grenada, however, is doing poorly in general, and in the United States in particular, because it contains more fat than buyers want.

After the U.S. invasion of Grenada in 1983, the Soviet Union canceled a contract to buy 500 tons of nutmeg a year, and the island's warehouses now hold a huge surplus, Mr. Dull said recently.

Arcana like these are the spice of Mr. Dull's life. He has been the Foreign Agricultural Service's keeper of data on tea, spices, cocoa and essential oils for 24 years, and never, he says, has it been a bore.

Mr. Dull's reports and market analyses, published periodically by the Agriculture Department, apparently are snapped up eagerly by people who have a need to know about his subjects.

As a result of his immersion in the esoterica of spices and the like, Mr. Dull has become a walking encyclopedia of things you probably never cared to ask about.

For example, Mr. Dull's data disclose that U.S. oregano imports

continue moving right on up on the charts. "Oregano has become very popular, due to the popularity of pizza, spaghetti, the Italian foods," he said. "Same thing for basil, which is increasing."

Or consider the sesame seed. U.S. imports were 36,759 metric tons (40,434 short tons) last year. The largest user in the United States probably is the McDonald's fast-food chain, which offers a sesame-seed bun.

The hot item in the spice business happens to be pepper. Mr.

Dull's last circular reports that tight supplies and rising prices have hit the world pepper market, with production having fallen below consumption.

But pepper, like so many other farm products, is an up-and-down commodity. Brazil boosted plantings and exports to record levels in 1981 and 1982, but when prices dropped, farmers reduced plantings, Mr. Dull reported. Some Malaysian farmers switched from pepper to cocoa; bad weather spoiled much of India's 1984 pepper crop.

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Philippine Officers Organize in Effort to End Abuses

By William Branigan
Washington Post Service

MANILA — A group of young military officers has launched a movement within the armed forces to halt what the officers see as growing demoralization and to improve their effectiveness in combating Communist insurgents.

The movement emphatically rejects any idea that it might engineer a coup, and insists on respecting the military hierarchy. But it clearly responds to deficiencies in the armed forces' leadership and growing frustration in the battle against about 12,000 guerrillas of the New People's Army, the military arm of the Communist Party of the Philippines.

Among the movement's grievances, according to published statements and interviews with member officers, are corruption in the military, favoritism in promotions, generals who retain their functions after they reach retirement age, military abuses against civilians, inefficient distribution of supplies and loss of public support.

The group is known as "We Belong" or the "Reform AFP Movement." AFP standing for Armed Forces of the Philippines. It says it is expanding rapidly and winning support in various parts of the country.

The number of members has not

been announced, but an officer has estimated publicly that the movement has the support of 70 percent of the more than 3,000 Philippine Military Academy graduates in service. A legislator has estimated that 40 percent of the 16,000 officers in the armed forces, which has 113,000 members, could be supporters or sympathizers.

The movement has been welcomed by some leaders, including Defense Minister Juan Ponce Enrile and the acting armed forces chief of staff, General Fidel V. Ramos. But it appears to have been greeted with suspicion or ambivalence by others.

The coast guard commander, Commodore Brillante Ochoco, a former chairman of the Philippine Military Academy's alumni association, said in a speech Saturday that the group's aims were worthy, but its methods "deplorable."

He charged that the movement's complaints "crucified members" of the armed forces "before they even had a chance to protect their good names" and gave a false impression that nothing had been done to correct flaws.

Instead of disregarding military tradition and using "propagandist venues" to air their grievances, Commodore Ochoco said, the officers should go through channels.

In an interview last week, Presi-



Fidel V. Ramos



Juan Ponce Enrile

dent Ferdinand E. Marcos tended to dismiss the movement's grievances as "gripping," although he acknowledged that complaints may have some basis.

"Gripping is traditional in the armed forces, but they've just called it by an esoteric name," Mr. Marcos said. He reminded about "gripes" he had heard about food, clothing and shoes while an officer during World War II. He added, however, in a reference to the movement's officers, "We should listen to them."

Asked about Mr. Marcos's remarks, five members of the movement indicated in an interview Thursday that their grievances had gone well beyond such griping. "We don't like to use the word 'gripes,'" a colonel said.

Mr. Marcos conferred Friday with about 30 officers in the movement who had graduated from the military academy classes of 1971 and 1973, according to the presidential palace.

A statement said Mr. Marcos had promised to prosecute promptly any military men accused of dis-

honesty or corruption, and to encourage the group to help gather evidence of irregularities. But he warned against "trial by publicity."

The statement also said the officers, who were accompanied by General Ramos, had assured Mr. Marcos that their movement had not been instigated by any military or political leader and that they would press for change within the law and the chain of command.

In apparent response to the movement's concerns, General Ramos ordered on Saturday the court-martial of two officers and six enlisted men in connection with crimes that included murder and robbery.

At the same time, in a move approved by Mr. Marcos, General Ramos relieved two field commanders whose units in the provinces of Negros Occidental and Samar were recently attacked by Communist rebels. General Ramos said the two colonels had been relieved for having failed to supervise security measures in their units.

In other disciplinary measures, the presidential palace reported

that 40 officers had been dismissed and six reprimanded as of May 13 in what it called "an ongoing effort to weed out incompetents and undesirables in the officer corps."

So far, however, authorities have said nothing about what an officer in the movement denounced as the "dishonesty" of some officers who he said were painting a "rosy picture" of the military's fight against the Communist guerrillas.

Another officer described how guerrillas can lie in ambush for days "and nobody will inform the military about them." But when the military tries to ambush the guerrillas, he said, people often warn them.

The officers said military abuses, including torture and summary executions, had contributed to the lack of public support.

An officer said, "Some of us on occasion have been ordered to get involved in massive election irregularities, such as 'carrying off ballot boxes' and 'terrorizing voters' into supporting certain candidates. He said the movement aimed to 'generate enough awareness' that young officers would refuse such orders in the future.

The officers, who represented the Philippine constabulary, the army, the air force and the navy, were interviewed at Camp Aguinaldo in Manila, site of the Ministry of National Defense.

■ Marcos to Run Again

President Marcos announced Monday that he would run for reelection in 1987, United Press International reported from Manila.

In a press release, Mr. Marcos said he would seek a new six-year term to enable him to carry out a pledge to lift the Philippines from its economic crisis. The nation's foreign debt is about \$25 billion.



BUSINESS TRIP — Zhao Ziyang, China's prime minister, arriving in London for a one-week visit, was met by Sir Geoffrey Howe, Britain's foreign secretary. Mr. Zhao, seeking joint ventures and technology transfers, also will visit West Germany and the Netherlands.

Vatican, Italy Put New Pact Into Effect

VATICAN CITY — The Vatican and Italy exchanged documents on Monday ratifying a revised church-state accord that ended Catholicism's role as the state religion and Rome's status as a "sacred city."

Prime Minister Bettino Craxi and the Vatican secretary of state, Cardinal Agostino Casaroli, exchanged the documents on the new concordat at a ceremony in the Vatican.

Mr. Craxi, making his first official visit to the Vatican since he assumed office nearly two years ago, later met with Pope John Paul II.

The ceremony formally put into effect two agreements on the revision signed last year and ratified by the Italian Parliament.

The concordat is a revision of part of the Lateran treaties signed between the Vatican and the government of Mussolini in 1929, and guarantees religious freedom for non-Catholics.

Mr. Craxi described it as the formal realization of an article on religious liberty in Italy's Constitution of 1948.

Cardinal Casaroli said that the accord should not be seen as a break with the past but as the product of a continuous maturation.

He noted that although Catholicism is no longer the state religion, the pact acknowledges that Catholic principles are an important part of Italy's historic patrimony.

Rome loses its status as a "sacred city," a title that in the past had led to the banning of plays or books considered offensive to Catholicism or the papacy. The new pact recognizes the capital's "particular significance" to Catholicism.

It establishes stricter criteria for state recognition of church institutions eligible for tax benefits and will gradually phase out state subsidies of salaries for clerics.

Beginning in 1990 Italian bishops are to pay the salaries of clerics from funds to which Italians can contribute and claim income tax relief.

Catholic schools maintain full freedom but religious education in public schools becomes optional. The state will continue to recognize church marriages but civilian courts now will review church marriage annulments.

Iraq Reports Bombing Gulf Targets

NICOSIA — Iraq said that its jets attacked "a large maritime target" and a petrochemical complex Monday in the Gulf near Iran's main oil terminal.

There was no independent confirmation of the attack on the "maritime target"—Iraqi paraffin for an oil tanker—or on the abandoned Bandar Khomeini oil complex.

Iraq also said that Iraqi planes had fired rockets on Tehran on Sunday. Earlier, Iraq had made the same report. Iraq said later that its gunners had been shelling the Iraqi city of Basra in retaliation for air attacks on Tehran.

[The raid Sunday night on Tehran was the heaviest in the renewed bombing and was assumed to have caused many casualties in densely populated districts, although the official Iranian media said the death toll was 11, Agence France-Press quoted sources in Tehran as saying.]

A military spokesman in Baghdad said that jet fighters struck twice Monday at the Iranian military camp of Khaneh, in southern Iran, killing a "large number" of soldiers.

Iraqi fighter planes set fire to targets on Kharg Island, Bandar Khomeini and Khaneh oil terminals and "reduced them to smol-

dering ashes," the Iraqi spokesman said in a broadcast monitored in Nicosia. Iran's chief oil terminal is on Kharg Island.

The official Iranian news agency, IRNA, reported later that Iranian gunners had poured shells onto the Iraqi border city of Basra over the past 24 hours, wrecking the railroad station, a hotel and a branch of the Central Bank.

The IRNA reports, monitored in Nicosia, said that the shelling had cut off roads leading to Basra and severed the supply lines of Iraq's Third Army.

Seven other Iraqi border towns were targeted by Iranian gunners, IRNA said. There was no immediate Iraqi confirmation.

Lord George-Brown Is Dead at 70

LONDON — Lord George-Brown, 70, a former British foreign secretary and one of the most colorful and unpredictable politicians of the 1960s, died Sunday after a long illness.

Lord George-Brown, who died after an operation to stop a hemorrhage, was deputy leader of Britain's Labor Party from 1960 to 1970 and Labor foreign secretary from 1966 to 1968.

He was defeated in 1964 by Harold Wilson for the post of leader of the party but he stayed on as deputy leader. He resigned from the party in 1976 over its support for union closed shops and joined the Social Democratic Party after it was formed in 1981. He was made a lord in 1970.

The son of an Irish truck driver, his political and personal life was seldom out of the public eye. His liking for strong drink was legendary.

Another former Labor foreign secretary, Denis Healey, paid tribute to his courage, drive, imagination and idealism, but added: "The trouble with George was he lacked a degree of self-discipline which would have taken him to the top."



Lord George-Brown

Robert Douglas Coe, Veteran U.S. Diplomat

NEW YORK (NYT) — Robert Douglas Coe, 83, a former U.S. diplomat, died Wednesday in Cannes.

Mr. Coe was posted in Brazil, Peru, Turkey, India, Britain, Italy and the Netherlands, and after 24

years of service retired in 1952. The next year President Dwight D. Eisenhower appointed him ambassador to Denmark, a post he held until 1957.

Other Deaths: Richard Greene, 66, the actor who was the original Robin Hood on British television, Saturday at his home in eastern England. He also appeared in more than 40 films, including "Hound of the Baskervilles," "Forever Amber" and "My Lucky Star."

Henry Keams, 74, who served in the Nixon administration as president of the Export-Import Bank and in the Eisenhower administration as assistant secretary of commerce for international affairs, of cancer Wednesday in Washington.

Malcolm Newman Smith, 66, a former editor of the Rhodesia Herald who opposed white minority rule in his African homeland, May 17 in Brighton, England. The Times of London reported.

Sarah M. Claiborne, 19, Thursday in New Delhi, where her father, William L. Claiborne, is a correspondent for The Washington Post. Her parents said that preliminary reports showed she died of apparent respiratory failure after consuming alcohol and drugs at a party.

EC Tries to Define Technology Role

LUXEMBOURG — European Community ministers met Monday to discuss ways of competing in the development of new telecommunications systems and of gaining a leading share of world technology markets, diplomats said.

They said the talks would prepare EC leaders for their summit meeting June 29 and 30 in Milan. The talks, which continue Tuesday, complement the debate over Eureka, the technology initiative proposed by President Francois Mitterrand of France.

Eureka, which is aimed at pooling resources to develop competitive high-technology industries in Europe, has drawn support from most EC member countries and is expected to dominate the summit conference, the diplomats said.

In Monday's talks, industry ministers and telecommunications authority officials tried to define what role industry and public authorities should have in efforts to compete with Japan and the United States in technology, the diplomats said.

The discussions resulted from an EC Commission proposal for a major drive in research on telecommunications.

Diplomats said smaller countries favored a strong EC role in organizing research and developing joint technical standards for telecommunications over a wide variety of frequencies.

But some countries, such as Britain and West Germany, have shown skepticism about the pro-

posed role of the EC in such areas. They have argued that industry and the European Conference of Telecommunications would be more appropriate forums, the diplomats said.

To finance the first 18-month stage of its proposal, the Commission wants 42.9 million European Currency Units (\$31.4 million) in investment from the EC budget, national research organizations and industry.

Diplomats said that, in order to help speed up research, the EC was also seeking mutual recognition of test results of telecommunications equipment by all member states. It also wanted information on new technical standards to reach EC officials more rapidly.

■ French Chemical Venture

Three major French pharmaceutical groups have joined with the government-run space research program in a venture aimed at developing biotechnology in outer space. The Associated Press reported Monday from Paris.

The accord, signed Monday at the Paris Air Show, was described by the National Center for Space Studies as the first cooperative effort between industry and government in Europe.

The companies taking part were Aerospatiale, Rhône-Poulenc SA, Roussel Uclaf SA and Sanofi. They will pool their resources in a program to grow crystals in space for eventual medical and space applications. Until now, this area has

been restricted to academia in Europe, said the secretary of state for research and technology, Hubert Curien. U.S. researchers have been actively pursuing the field.

Asked about the cost of the venture, Aerospatiale's president and general director, Henri Martre, said the budget has not yet been defined.

U.S. Homosexuals Sue Magazines in Ad Refusal

LOS ANGELES — Sponsors of an annual parade of homosexuals in the newly incorporated city of West Hollywood, California, have sued four American magazines, charging discrimination because advertisements for this year's event were rejected.

The sponsors, the Christopher Street West Association, allege in the lawsuit, filed in Los Angeles County Superior Court, that the publishers of Newsweek, Time, Sports Illustrated and U.S. News and World Report conspired to reject an advertisement for the June 23 Gay Pride festival and parade in West Hollywood. The city has a large homosexual population.

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U.S. Envoys Find Fault With Steps For Security

The Associated Press

WASHINGTON — A new survey suggests that most U.S. Foreign Service officers believe their government has not done all it could to prevent terrorist attacks at U.S. embassies.

A majority also appear to have doubts about the effectiveness of the State Department's policy of retaliating militarily against extremist groups or against nations that sponsor terrorism.

The survey was taken by the Foreign Service Journal, a monthly magazine published by the American Foreign Service Association, an organization of serving and retired career diplomats.

A questionnaire about the adequacy of the State Department's security measures was included in the Journal's March issue. Of the 8,000 subscribers, 182 responded.

The sampling showed that almost 80 percent of the respondents believe that the bombing of the U.S. Embassy annex in Beirut last September could have been prevented with reasonable security measures.

According to the survey, 30 percent of the respondents disagreed strongly and 42 percent disagreed with the proposition that foreign affairs agencies have done all they could in recent years to safeguard employees against terrorists. Sixteen percent were undecided, leaving 12 percent in agreement.

Asked by the Journal for comment, the assistant secretary of state for security and administration, Robert Lamb, said: "We think that protection of our embassies and employees is among the highest priorities in the department. We are doing more today than we ever have at any time before. But it is not just the department's responsibility; the individual also has responsibilities."

The principal extremist activities directed against U.S. diplomatic installations over the past two years include bombings at the embassy and annex in Beirut and the embassy in Kuwait.

Reagan administration officials have said that Lebanese Shiite Muslim extremists with close links to Iran were responsible for each incident. Secretary of State George P. Shultz and the national security adviser, Robert C. McFarlane, have said that the United States should use force against governments that sponsor terrorist acts.



Wladyslaw Frasyniuk



Bogdan Lis



Adam Michnik

Solidarity Dissidents on Trial Assert Judge Is Biased, Should Be Changed

United Press International

GDANSK, Poland — Three Solidarity dissidents accused of trying to organize an illegal strike asserted Monday that the chief judge at their trial is biased and one defendant demanded that the judge be replaced.

The demand, which the court rejected, came as the founder of the Solidarity trade union, Lech Walesa, accused the Polish government of intensifying repression of dissidents. Human rights activists said that the defendants were being prosecuted for exercising basic human rights.

Wladyslaw Frasyniuk, 31, Bogdan Lis, 33, and Adam Michnik, 38, are accused of trying to organize a 15-minute national strike in February 1984 to protest price increases proposed by the government.

The strike was canceled when the government revised its price plan. Mr. Lis and Mr. Michnik have pleaded not guilty. Mr. Michnik did not enter a plea, saying that he did not understand the charges. All three men face prison sentences of up to five years.

The press and the public are barred from the proceedings, but a lawyer said that Mr. Lis refused Monday to answer pointed questions from the court, questioning the lawyer said implied that Mr. Lis was guilty.

Mr. Frasyniuk protested the conduct of the trial by asking to be removed from the courtroom. He was escorted to a jail near the courthouse and refused to attend the proceedings.

Mr. Michnik filed a protest asserting that Chief Judge Krzysztof Zemiuch was "partial" and demanding that he be replaced. The court recessed for an hour, then

announced that Mr. Michnik's petition was rejected.

"There is no progress in the court proceedings," he said after the court was adjourned for the day. The trial was to resume Tuesday with testimony from Mr. Walesa.

In a letter to the International Conference on Human Rights in Ottawa, Mr. Walesa said Monday that a law adopted by Poland's parliament, the Sejm, last month "has led to increased penal repression in Poland."

"The human rights situation depicted by the Polish representative cannot reflect a true situation in the country," he said.

■ **Jaruzelski Assails 'Martyrs'**
Poland's leader, General Wojciech Jaruzelski, said in an interview published Monday that his

country does not want to have political prisoners, but is faced with what he called a small group of professional "martyrs" threatening the state. The Associated Press reported from Paris.

Human rights abuse "is the chief accusation brandished against us by the means of Western information and propaganda," General Jaruzelski told the French Communist Party newspaper L'Humanité.

"Political prisoners? We don't want to have them in Poland," the general said. "That is the sense of the wide amnesty that we have proclaimed. Nevertheless, there is here a small group of so-called 'martyrs' of the regime, professional martyrs, really. Their number is inversely proportional to the fuss orchestrated about them by Western propaganda."

Doctor Tells Papal Plot Trial Agca Is 'Cunning,' 'Not Crazy'

Agence France-Press

ROME — Mehmet Ali Agca, who was convicted of attempting to kill Pope John Paul II, is not mentally disturbed, an expert said Monday as the trial of eight accused plotters in the shooting entered its second week.

Mr. Agca's assertion in court on May 27 that he was "Jesus Christ reincarnate" and that the "end of the world" was near had raised strong questions as to his mental condition — and as to whether and why he might help the defense by pretending to be mad.

In the East bloc, which views the trial as a Western bid to link it with terrorism, Mr. Agca's claim brought calls for charges to be

dropped against three Bulgarians. One of the three, Sergei I. Antonov, a former Bulgarian Airlines manager in Rome, is in custody. Five Turks, including Mr. Agca, also are charged.

But on Monday, Dr. Giancarlo Cuppelli, the first doctor to examine Mr. Agca after his arrest following the shooting of the pope on May 13, 1981, called him a "cunning calculator." His comment was consistent with those of other experts.

"He is not crazy," Dr. Cuppelli said of Mr. Agca. "On this point, doctors are categorical. All is perfectly healthy of mind. He is sure of himself, he controls himself well."

Prison Gangs' Clout Grows on the 'Outside'

By Robert Lindsey

New York Times Service

SAN FRANCISCO — Prison inmates may be cut off from most contacts with the outside world, but law enforcement officials are blaming penitentiary gangs for violent crimes, many of them related to drug trafficking, committed in a growing number of U.S. cities.

In California, much of the gang-directed crime is said to stem from an especially virulent alliance. It includes the Black Guerrilla Family, many of whom are middle-aged and serving long terms, which was formed as a kind of prison auxiliary to the militant Black Panther Party. Another power in the alliance is a more structured gang of younger black inmates, most of whom were convicted of violent street crimes. They call themselves "Crips" because they have a reputation for clipping their victims.

According to participants at a recent meeting of law enforcement officials in Los Angeles, leaders of the Black Guerrilla Family are directing a growing effort to take over part of Southern California's lucrative cocaine trade by using the Crips as their soldiers.

The Crips, they say, are recruited in prison and after being paroled are attempting, often with violence, to push out other cocaine dealers from the predominantly black south-central area of Los Angeles.

William French Smith, a former U.S. attorney general, has called the influence of prison gangs beyond prison walls a problem that is "serious and spreading."

Investigators say the gangs now are involved in a wide range of criminal pursuits on the outside. "Drugs, loan sharking, extortion, contract killings — they're into everything," said Louis Dentici, assistant director of law enforcement for the California Department of Corrections.

According to officials, inmates began forming ethnic gangs in the late 1960s, starting in California. Initially, they operated only behind bars, battling for dominance of the prison turf. But investigators say that paroled gang members are increasingly joining together in organized criminal activities outside prison.

Philip Arnold, a specialist for the U.S. Bureau of Prisons says the gangs are now represented throughout the country.

At many prisons, officials say, gangs control homosexual prostitution and the manufacture of weapons. "Whatever illegal activity there is, they're in it," Mr. Arnold said. Often, officials say, gang members force inmates to make their girlfriends or wives smuggle drugs into prisons.

As prison gangs became more organized and learned how to keep

other inmates in line through force and intimidation, their guards, often worried about survival in the volatile atmosphere of overcrowded prisons, have increasingly conceded to them the power to rule the cell blocks. In some cases, according to the inmates of some institutions, they have conceded not only a franchise of self-government but certain concessions to deal in prison contraband.

In October 1983, two staff members were murdered at the federal penitentiary at Marion, Illinois, designed to be the most secure prison in the country, a place where the most troublesome federal prisoners are sent. Officials blamed the murders on senior members of the white Aryan Brotherhood. Since then, they have imposed a stringent "lock-down" that has blunted the

power of the gangs inside the prison.

Corrections specialists say that New York state has done an effective job of limiting the power of prison gangs. But elsewhere officials say prisons are so overcrowded that this is extremely difficult.

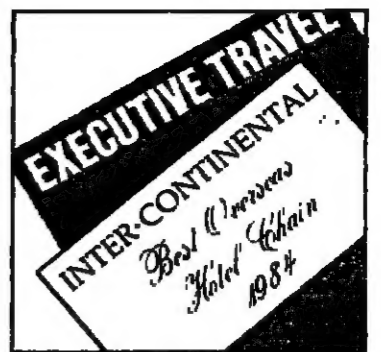
The first California gang, the Black Guerrilla Family, had an ideological doctrine that held all blacks were political prisoners. After well-organized blacks began to impose their will on other inmates, ethnic strife erupted and, officials say, three other groups were born, largely for self-protection:

The Mexican Mafia was formed by urban Mexican-Americans, many of whom were products of the Hispanic street gang culture of Los Angeles; Nuestra Familia was

organized by less sophisticated Mexican-Americans from rural areas; and the Aryan Brotherhood was formed by whites who, according to prison administrators, adhered to a vague doctrine of white supremacy that included for some members the wearing of swastika tattoos.

These gangs and a much smaller Hispanic group, the Texas Syndicate, now rule inmate life at many state and some federal prisons even though, officials estimate, fewer than 20 percent of prisoners are members.

Authorities say they first realized that the gangs posed a law enforcement problem outside prison during the late 1970s. In one case, ex-convicts who belonged to the Black Guerrilla Family were arrested for a series of what appeared to be related robberies.



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Sri Lanka, India Agree on Need for Tamil Accord

Party Lines Blurring in U.S. South.

Mr. Jaywardene said his talks with Prime Minister Rajiv Gandhi were useful and would produce results.

The Democratic and Republican parties in this state are acting more like kissing cousins than feuding clans.

The state's top Democratic of Georgia, Governor Joe Frank

Romesh Bandhari, the Indian foreign secretary, said that this statement did not rule out a move by Mr. Jayawardene to grant greater

In recent days, sources close to the unusual talks of the two leaders said that a framework was discussed in which Mr. Jayawardene's government might make concessions to the Tamils in return for an

to the Tamil-dominated areas and offer to withdraw troops to their barracks. In return, the Tamil militants would refrain from attacking police and army facilities, and would enter into some type of talks.

Briefing reporters Monday evening, Mr. Bandhary said the meeting was "positive," "sincere" and "useful." He also declined to say what "immediate steps" might be taken.

Middle East Impasse Western Leaders Doubt U.S. Recovery's Power

2FOR1

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Finland				
France	F.F.	1,230	644	399
Germany	D.M.	452	261	144
Greece	£	101	55	30
Great Britain				
Ireland	Ir.	15,600	8,654	4,692
Italy				
Japan		276	154	84

Spain	Plus	20,200	11,300	6,800
Sweden	S.Kr.	1,470	795	494
Switzerland	S.Fr.	492	253	129
Rest of Europe, North Africa, former French Africa, U.S.A., French Polynesia, Middle East				
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But we are thinking
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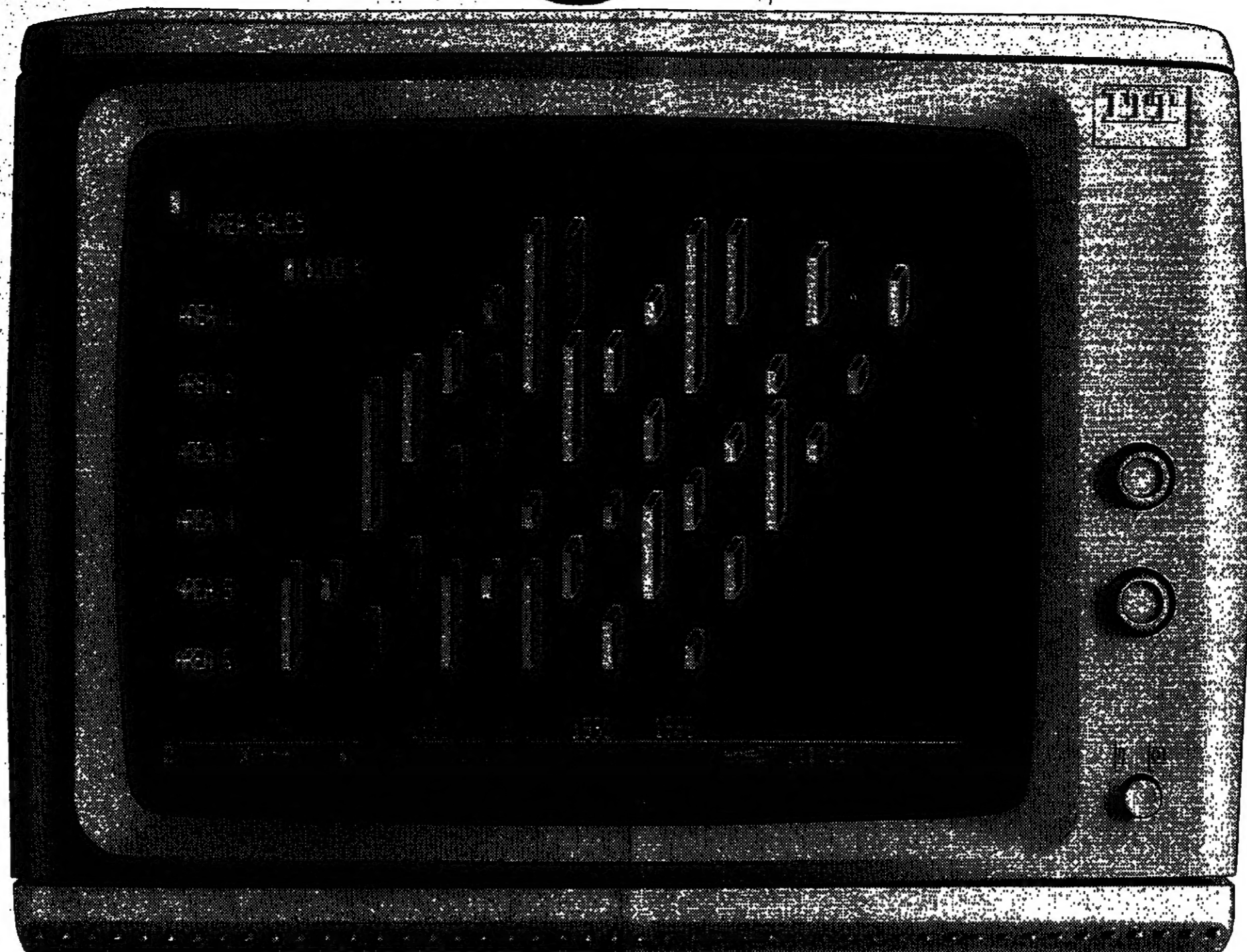
Club

4-6-85 [clones].

1. *Chlorophyll a* and *Chlorophyll b* were determined by the method of Arar and Collins (1971) using a Shimadzu 1010 UV-Visible Spectrophotometer. The concentration of chlorophyll was expressed in mg g⁻¹ of dry weight.

Tamil Accoun
U.S. South

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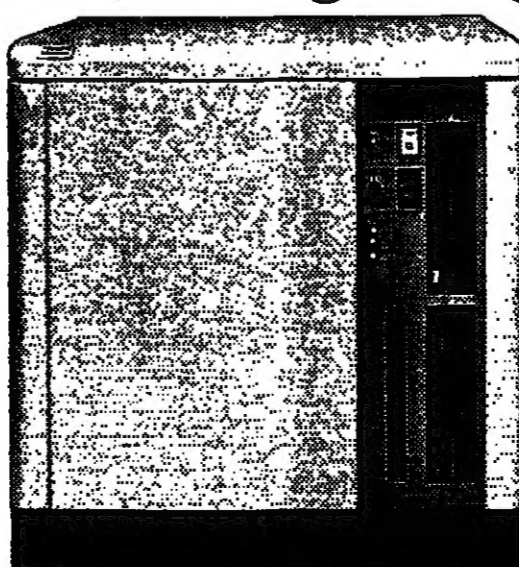
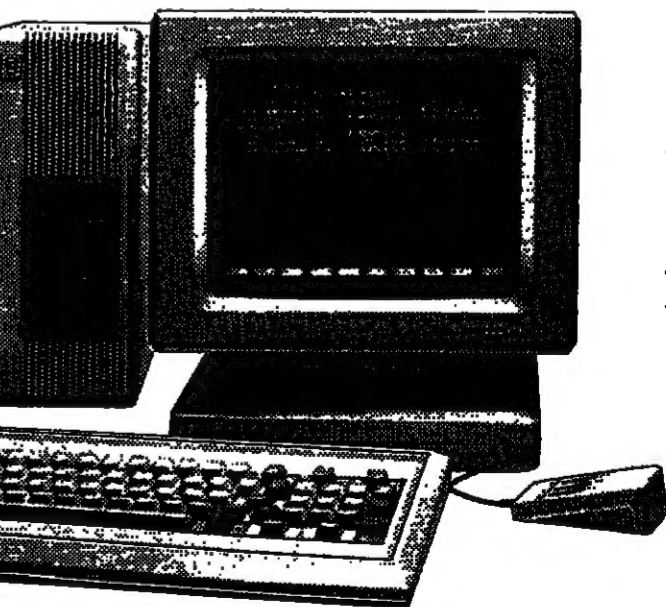
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NYSE Most Actives					
Vol.	High	Low	Last	Chg.	
IBM	160.00	159.00	159.00	+1.00	
AT&T	150.00	149.00	149.00	+1.00	
GE	120.00	119.00	119.00	+1.00	
AMC	110.00	109.00	109.00	+1.00	
IBM	100.00	99.00	99.00	+1.00	
IBM	90.00	89.00	89.00	+1.00	
IBM	80.00	79.00	79.00	+1.00	
IBM	70.00	69.00	69.00	+1.00	
IBM	60.00	59.00	59.00	+1.00	
IBM	50.00	49.00	49.00	+1.00	

Dow Jones Averages					
Open	High	Low	Close	Chg.	
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12

NYSE Index					
High	Low	Open	Close	Chg.	
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12

Monday's NYSE Closing					
Vol.	High	Low	Open	Close	Chg.
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12

AMEX Diaries					
Class	Prev.	Open	Close	Chg.	
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12

NASDAQ Index					
Week	Year	Open	Close	Chg.	
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12

AMEX Most Actives					
Vol.	High	Low	Last	Chg.	
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12

Dow Jones Bond Averages					
Prev.	Open	Close	Chg.		
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12

NYSE Diaries					
Class	Prev.	Open	Close	Chg.	
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12

Odd-Lot Trading in N.Y.					
Buy	Sell	Open	Close	Chg.	
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12

Standard & Poor's Index					
High	Low	Open	Close	Chg.	
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12

AMEX Sales					
3 P.M. volume	Prev. 3 P.M. volume	Open	Close	Chg.	
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12

AMEX Stock Index					
High	Low	Open	Close	Chg.	
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12

NYSE Most Actives					
Vol.	High	Low	Last	Chg.	
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12

Volume Turns Higher on NYSE

NEW YORK — The stock market was mixed late Monday in active trading. The Dow Jones industrial average was down 4.48 to 1,310.93 shortly before 3 p.m. EDT.

Advances led declines by a 9-7 ratio among the 1,989 issues crossing the NYSE tape. Five-hour Big Board volume amounted to about 112,119,500 shares, compared with 107,060,000 in the same period Friday.

Prices were mixed in active trading of American Stock Exchange issues.

Analysts said the market was stronger than the Dow industrial average seemed to show.

"The action is better than it looks," said Michael Metz of Oppenheimer & Co. Although some blue-chip stocks were subject to profit-taking, throughout the day more stocks traded higher than lower, he noted.

Mr. Metz said the market was continuing to respond to expectations that interest rates are going even lower than they are now. Also, declining oil prices are assuaging inflation anxieties, he said. Such an environment gives the Federal Reserve more leeway to ease credit without having to worry about aggravating inflation, he noted.

Atlantic Richfield, near the top of the active list, declined. Under pressure for a decrease in oil prices, so were several other petroleum

Bond Prices Up Sharply

NEW YORK — Bond prices rose sharply — by nearly \$20 for every \$1,000 in face value — Monday amid speculation that oil prices and interest rates are headed lower.

The market had advanced sharply on Friday as some traders anticipated a reduction in the Federal Reserve's discount rate, its interest charge on loans to banks and other financial institutions.

The Fed had cut its discount rate May 17 to 7.5 percent from 8 percent in an effort to stimulate the economy. Several economic reports since then have indicated that the pace of economic growth has remained slow.

The bond price rally continued more forcefully Monday as reports circulated that some oil industry analysts expected weak demand would lead to declines in oil prices.

stocks, Exxon, Mobil and Phillips Petroleum were lower. Texaco was up fractionally.

Nabisco, trading ex-dividend, was lower in active trading. R.J. Reynolds has agreed to acquire Nabisco for \$5 billion. R.J. Reynolds was higher.

Phibro-Salomon was slightly lower. Salomon Brothers said it had acquired 5.1 percent of Multimedia Inc.'s 16.7 million shares outstanding.

Diamond Shamrock was lower in active trading.

NYSE Most Actives					
Vol.	High	Low	Last	Chg.	
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12

NYSE Most Actives					
Vol.	High	Low	Last	Chg.	
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1985.12	1985.12	1985.12	1985.12	1985.12	1985.12

NYSE Most Actives					
Vol.	High	Low	Last	Chg.	
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1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
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NYSE Most Actives					
Vol.	High	Low	Last	Chg.	
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NYSE Most Actives					
Vol.	High	Low	Last	Chg.	
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NYSE Most Actives					
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1985.12	1985.12	1985.12	1985.12	1985.12	1985.12

NYSE Most Actives					
Vol.	High	Low	Last	Chg.	
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NYSE Most Actives					
Vol.	High	Low	Last	Chg.	
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1985.12	1985.12	1985.12	1985.12	1985.12	1985.12
1985.12	1985.12	1985.12	1985.12	1985.12	1985.12

NYSE Most Actives					
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**In 1983 two large-cabin business jets were announced.
Only one will be flying at the 1985 Paris Air Show.**



See how the Falcon 900 has met—and exceeded—the requirements of pilots and executives alike, while its closest competitor remains a list of paper promises.

	FALCON 900	GULFSTREAM IV
Program Announcement	✓ May 27, 1983	✓ March 1983
Rollout	✓ May 18, 1984	To Be Announced
First Flight	✓ Sept. 21, 1984	December 1985
Complete Interior Installed	✓ Nov. 13, 1984	To Be Announced
Flight Envelope Expansion Completed	✓ Nov. 28, 1984	To Be Announced
Guaranteed IFR Range Verified	✓ Dec. 5, 1984	Only a "theoretical range" is guaranteed
Engine Certification	✓ Dec. 12, 1984	June 1986
First Customer Demonstrations	✓ Jan. 29, 1985	To Be Announced
FAA Certification	March 1986	October 1986
First Customer Deliveries	Late 1986 (certified, with interior)	Mid 1986 (uncertified, "green")

Data as of
May 27, 1985.

"In late January, just eight months after the wide-body, three-engine business jet rolled out... and only four months after the aircraft's first flight, the production prototype underwent five days of extensive evaluation by three aviation publications and 25 customers of the new aircraft..."

"The apparent ease with which the Falcon 900 is living up to Dassault's predictions of schedule, weight, and performance is a tribute... destined to please even the most conservative executive."

Business and Commercial Aviation,
May 1985

"Dassault's willingness to put its newest and most expensive business jet into the hands and under the scrutiny of press and customer pilots at such an early stage certainly makes a more emphatic statement than mere words of its confidence in the airplane's integrity and performance..."

"...the Falcon 900 is an exceptionally well designed airplane... with a great amount of mission flexibility... a viable alternative in the choice of a big cabin, truly long-range business jet—something they never had before."

Aviation Convention News,
March 1, 1985

For long range, fuel efficiency and functional comfort, no business jet can match the Falcon 900. And the 900 is flying today (in fact, has flown some 300 hours!), while its closest competitor has yet to be rolled out.

In conception, the 900 promised everything pilots and CEOs said they wanted in a business jet: worldwide range, widebody comfort, three-engine safety and low operating costs. In flight, the 900 has already exceeded these promises—months ahead of schedule.

While several mockups will be on display at the Paris Air Show, Falcon Jet will be flying the 900. While our competitor talks, Falcon Jet will be demonstrating. And for those who have not yet seen the 900 in action, 1985 should prove a noteworthy year indeed.

Falcon 900

For more information...

Contact us at Chaler B-24 during the Paris Air Show, or at the appropriate address below.

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BUSINESS ROUNDUP

Unocal to Cut Spending But Will Not Sell Assets

By Nancy Rivera
Los Angeles Times Service

LOS ANGELES — Unocal Corp. has no plans to sell assets to pay off the \$4.15 billion in new debt that was the price of funding off the takeover bid of T. Boone Pickens, but capital spending will be scaled back, according to Unocal's chairman, Fred L. Hartley.

Unocal, which has been Mr. Hartley's employer for 46 of his 68 years, will "keep right on going" now that the Mesa Partners II investor group led by Mr. Pickens has agreed to end its three-month attempt to take over the company, Mr. Hartley said in an interview last week.

Unocal, parent of Union Oil of California, is still evaluating how much it will need to reduce capital spending because of increased debt expenses, Mr. Hartley estimated that the 1985 investment program, originally set at \$2.1 billion, will be trimmed by an estimated \$200 million to \$300 million.

His anger at the attempted takeover was unabated. "It may be that

Orders at 8-Year High For Firms in Britain

LONDON — British firms have more orders on their books than at any time in the past eight years, according to a survey published Monday.

The Confederation of British Industry's survey of 1,596 companies found the highest level of orders in the electrical, instrument, and engineering industries.

this is a new day" and if "the laws of the land are not enforced to the degree required to stop this kind of behavior, then maybe maintaining high debt becomes a way of life," Mr. Hartley said.

"It would seem that we have a real failure in our capitalistic system and a real failure of our morals and manners and ethics and integrity in our society if one has to maintain a hell of a high debt in order to protect oneself from the financial barons," he said.

Last month, Unocal settled with the Mesa group by agreeing to include 7.7 million shares of its Unocal shares in an expensive stock buy-back plan that will raise corporate debt by \$4.15 billion.

Mr. Hartley said Unocal will be able to pay the interest on its debt out of company cash flow, adding that the fewer number of shares outstanding will reduce the company's quarterly dividend payout by about \$70 million after taxes.

In a few years, presuming that the company's stock price rises, Unocal may sell new common stock to repay some of its debt, he said. "It won't be this year for damn sure," he said. Unocal's stock price plummeted from \$46 the day of the settlement to \$33.25 on Friday.

Mr. Hartley — who characterized Unocal's battle with Pickens as "mad dog bites man; man bites back; man, with superior intellect, defeats mad dog" — is not tempted to forgive and forget.

"If such a thing is not tempted to forgive and forget," he said, "we're going to see further deterioration in the ability of the United States to survive as a viable competitive society."

Semiconductor Plans Layoffs

The Associated Press

SANTA CLARA, California — National Semiconductor Corp., citing a year-old slump in the semiconductor industry, said Monday that it will lay off 1,300 workers in the United States and Europe and is canceling plans for a new plant in Portland, Oregon.

The layoffs will involve 600 workers at the company's headquarters in Santa Clara, as well as workers at facilities in Salt Lake City, Utah; Danbury, Connecticut; Maynard, Massachusetts; and in Europe, the company said.

National Semiconductor, which employs about 37,000 people worldwide, said the layoffs at the domestic plants will occur over the next few weeks.

SME Sale Is Not Selling Well in Italy

ROME — A political row has broken out in Italy over an attempt by the state-owned giant Istituto Ricostruzione Industriale, or IRI, to sell its profitable food subsidiaries to private interests.

After agreeing in April to sell those subsidiaries to Carlo de Benedetti, the chairman of Olivetti SpA, IRI still is waiting for the minister of state industry, Clelio Darida, to approve the transaction.

Meanwhile, three higher bids have been received for the subsidiaries, which are grouped mostly under Società Meridionale Finanziaria SpA, or SME.

The Christian Democrats, the largest party of the centrist coalition, are openly dissatisfied over Mr. Darida's handling of the affair, and political sources said he might be asked to resign.

With the outcome still far from clear, businessmen and bankers say the affair has damaged the credibility of IRI and sown the seeds of further discord within the five-party governing coalition.

An influential newspaper, Corriere della Sera, commented that it "places in jeopardy the entire policy of privatization."

Cesare Romiti, the managing director of Fiat SpA, was quoted by the newspaper as saying: "No private group will be able to negotiate with IRI in safety after this."

In a further complication, a Rome public prosecutor, Luciano Infelisi, has confiscated IRI files relating to negotiations with Mr. de Benedetti to investigate a possible

conflict between public and private interests.

The chairman of IRI, Romano Prodi, originally agreed to sell to Mr. de Benedetti's Industrie Benetton a controlling interest in SME and another IRI food subsidiary, Società Italiana Dolcifici Alimentari Milano SpA, or SI-DALM, for 397 billion lire (\$201 million).

Under the terms of the sale, the state-controlled merchant bank Mediobanca and medium-term finance house Istituto Mobiliare Italiano would pay IRI a further 100 billion lire for minority equity stakes.

SME became an attractive proposition only recently when, after years of often heavy losses, it announced 1984 net profits exceeding \$50 million on turnover of \$1.57 billion.

One-Third of U.S. Thrifts Will Disappear, Analysts Predict

By Nathaniel Nash
New York Times Service

WASHINGTON — Government statistics show that the number of U.S. savings and loan associations that are effectively bankrupt — with liabilities exceeding assets — has increased fivefold since 1981, to more than 400, industry leaders and government regulators expect most of them will be forced to close or merge.

Moreover, another 400 thrifts whose assets barely exceed their liabilities will also have a hard time surviving. In all, perhaps one-third of the 3,150 federally insured savings and loan associations now open are likely to disappear by the

end of the decade, the experts estimate.

The thrift units that are effectively bankrupt but still doing business have been allowed to stay open by federal authorities to avert an abrupt shutdown that could deplete the federal insurance fund and might also, by disrupting public confidence, trigger runs by depositors on smaller institutions.

"Losses at these thrifts since 1981 have so eroded their assets that a third of the industry will just not survive," said Richard Pratt, chairman of Merrill Lynch Morgan Capital Inc. and head of the Federal Home Loan Bank Board from 1981 to 1982. The board is the

federal agency that regulates and oversees the thrift industry.

He added that the survival of another third of the institutions was dependent "on the luck of the draw on interest rates," while the remaining one-third had "very good prospects."

The plethora of troubled thrifts is reflective of an industry that is now highly fragmented, in the process of dramatic change and struggling to survive. Analysts anticipate widespread consolidation ahead, as the industry — once composed of many small institutions making residential mortgage loans — evolves into one dominated by multi-billion-dollar financial giants

resembling big commercial banks.

The one ray of hope in recent weeks has been the substantial drop in interest rates. Some analysts predict that as a result of lower rates, 1985 will be the thrift industry's most profitable year on record with possibly 90 percent of the nations' thrifts earning money.

But lower rates will provide little help to the worst cases. "Any S&L with a negative net worth that is losing money today will probably not survive," said one analyst.

Bond Index Set in Chicago

(Continued from Page 11)

labor-intensive business. Because there will always be a sales force to be compensated and supported by the house, there is a cap on how narrow dealer spreads can become.

Further, he and Mr. Hamilton noted that, in the past five years or so, individual investors had accounted for about 80 percent of the tax-exempt bond market. "Aside from the funds, institutions have been largely absent from the municipal bond market," Mr. Palucci said. "It is always more expensive for a dealer to handle individual accounts."

Having said this, however, he added that he expected the new tax-exempt index futures to eventually narrow spreads because they "will definitely increase the liquid-

ity of the municipal market." Why? "Simply because the major dealers will be able to use the futures to lay off some of the risk in carrying large selections of bonds on their shelves. Anything that reduces risk will eventually narrow spreads."

Given the recent sharp rise in prices of tax-exempt bonds, which is the direct result of falling interest rates, who would be taking the short side of the index futures? After all, one of the fundamental rules of futures trading is never to buck today's market trend, no matter what the trader thinks will happen tomorrow.

Mr. Palucci agreed. "But there is another phenomenon that also obtains," he said. "Trends always become exaggerated; if current prices become too rich, it will undoubtedly provoke a swing to the short side."

Tokyo Pacific Holdings N.V.
Tokyo Pacific Holdings (Seaboard) N.V.

The Quarterly Report as of 31st March 1985 has been published and may be obtained from:

Pharos, Huisman & Plesman N.V.
Herengracht 214, 1016 BS Amsterdam

S&L Oppenheim & Co.
Unter Sachsenhausen 4, D 5000 Köln 1

National Westminster Bank PLC
Stock Office Services,
3rd Floor, 20 Old Broad Street
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Boulevard Emile Jacqman 162,
B 1000 Bruxelles

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M.M. Rothschild & Sons Limited
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Benque Paribas (Luxembourg) S.A.
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Europaribas de Banque
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Martel Lynch International & Co.
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6 June 1985

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ALMA MANAGEMENT (w) 157.24 (w) Lloyds Int'l Pacific (w) 134.90

(w) A&W Trust (w) 157.24 (w) Lloyds Int'l Pacific (w) 134.90

BANK JULIUS BAER & CO. LTD. (w) 157.24 (w) Lloyds Int'l Pacific (w) 134.90

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COMPANY NOTES

Airbus Industrie, the European aircraft consortium, announced it has received firm orders valued at \$200 million for three A-300-600 wide-bodied commercial jets from Korean Airlines. Korean Airlines also took options on five more A-300s.

American Telephone & Telegraph Co., Bank of America, Chemical Bank and Time Inc. said they plan to form a joint venture to provide electronic financial services to consumers and small businesses.

British Petroleum Co. PLC is still interested in exploring for oil off China's coast, although results so far have been disappointing, Peter Walters, the company chairman, said.

Eastman Kodak Co. said it introduced its first stand-alone 8-mm video cassette recorder, the MVS-5380.

Hongkong Land International Ltd., a fully owned subsidiary of Hongkong Land Co., said it is re-

deeming on Aug. 1 all its outstanding \$75 million, 7-3/4 percent guaranteed debentures due in 1986 for about \$22.9 million. It said the redemption is part of an overall debt reduction program.

Hongkong & Kowloon Wharf and Godown Co. Ltd.'s offer of 11 Hong Kong dollars (\$1.41) a share has been accepted by shareholders controlling 14.31 percent of the equity of Allied Investors Corp.

International Business Machines Corp. said it introduced a new modular processor with expandable storage capacity, the IBM 4702, to help meet the increasing automation requirements of banks and other financial institutions with remote locations.

Lloyds Bank PLC said it has a mandate from Atlantic Southeast Airlines of Atlanta to arrange \$30 million in financing for the purchase of six Brazilia aircraft from Embraer, the Brazilian aircraft manufacturer.

Magellan Petroleum Corp. said

its board authorized a rights offering of about 4.9 million common shares. It said shareholders would be able to buy one share at \$1 for each three shares held under terms now contemplated, which are subject to change.

News Corp. Ltd. announced plans to double its authorized capital to 200 million Australian dollars (\$131.6 million) through creation of an issue of 199.98 million 50-cent ordinary shares and 10,000 redeemable one dollar preference shares.

PHB Weserhütte AG, a West German engineering company, expects 1985 group turnover to be little changed from 1984's 972 million Deutsche marks (\$314.6 million), Peter Jünger, the managing board chairman, said.

Sony Inc., which has the concession for Aerospaciale in Japan, ordered five Ecureuil single-engine helicopters from the French company, bringing to 100 the number of AS-350Bs sold in Japan.

LSE Facing Big Changes

(Continued from Page 11)

markets cannot be stopped," warned Sir Nicholas Goodison, chairman of the exchange, in a letter this month calling on members to support the proposed changes.

A 50-percent majority is required for passage of the reorganization backing plans to eliminate the current 25.9-percent limit on the share an outsider can own in a member firm. A 75-percent majority is needed for the constitutional change that would create shares in the exchange that can be transferred from individuals to firms, and for changing the requirements for how many shares firms and individuals may hold.

Polls suggest that the first vote will pass handsily but that the second may be very close.

The main opponents are small firms and individual members, who either oppose the changes altogether or believe that they are being put into effect too quickly for the exchange to control the results.

"We are not opposed to negotiated commissions," said Derek Greenwood, the chairman of a steering committee of seven small firms. "We don't like ownership by outside firms because we don't see how we can control them. We think that the proposals for ownership of the exchange are wrong because they would allow 20 big firms to control the market."

Most of all, the traditionalists are opposed to the end of "single capacity," the enforced separation of brokers and dealers. They claim that "Chinese walls" — the measures that firms take to keep their brokers separate from their dealers in U.S. firms — offer too little insurance that investors will be given the best deal possible. Many worry, too, that they will not be able to afford the new technology that will be required to operate the new trading system.

The stock exchange is developing a new information network, the Stock Exchange Automated Quotation System, or SEAQ, to electronically display competing bids and to offer prices as well as information on the size of transactions. However, it soon may face competition from private vendors for listings of the major stocks.

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Find out what they said in the June 10th Personal Investing, the International Herald Tribune's monthly report for the individual investor with an international perspective.

June 10.

SPORTS

Lakers Muscle Past Celtics, 136-111

Compiled by Our Staff From Dispatches

INGLEWOOD, California—From the onset of the playoffs, the Los Angeles Lakers have denied that their motivation stems from revenge. But they played here Sunday with the kind of fire that contradicts such an assertion.

The result was a convincing 136-111 triumph over the Boston Celtics that gave the Lakers a 2-0 lead in the best-of-seven National Basketball Association championship series.

NBA FINALS

I lead in the best-of-seven National Basketball Association championship series. The next two games—Wednesday and Friday—will be played here.

Three altercations broke out in Game 3, one resulting in the ejection of the Celtics' Ray Williams in the final period. The others occurred in the first half and both involved Boston's Kevin McHale, who led all scorers with 31 points.

"I don't know if it's anger," said James Worthy, whose 29 points led the Lakers. "But we remember the kind of things they used against us last year. We can't let that happen again. We can't back down." In the final series last year, the Lakers lost two games after victories had seemed assured, and eventually lost the series, 4-2.

Now, not only because of their magnificent play, the momentum has swung to the Lakers, who were routed in Game 1. They have succeeded in erasing their all-finesse image, replacing it with one of physical and mental toughness.

"Those kinds of things are going to happen, unless one team backs off," said Kareem Abdul-Jabbar of the shouting matches and bench-clearing episodes. "Everybody just wants to win."

Abdul-Jabbar, whose brilliant play in the second game ignited his team, continued his

pace. After scoring 16 of his 26 points in the first half and making such uncharacteristic plays as diving for loose balls and dribbling upcourt to lead a fast break ("I make those kind of plays in my dreams all the time," he said with a smile), he played spectacular defense in the second half. The 38-year-old center held Robert Parish without a point or a rebound after intermission.

Abdul-Jabbar also had 14 rebounds, 7 assists, 2 steals and 2 blocked shots. Parish finished with 17 points and 8 rebounds.

"I think what happens in the regular season is that players tend to play natural, doing what comes easily for them," said the Lakers coach, Pat Riley. "When it gets to the playoffs, they go beyond that. They do things they don't do all the time."

A skyhook in the third period pushed Abdul-Jabbar ahead of Jerry West, the former Laker guard, as the NBA's leading playoff scorer. He now has 4,459 points in 16 seasons.

Worthy, in his third season, has finally found his niche on a talent-laden team—as a second-low-post scoring threat and a menacing wing on the break. It has not hurt his motivation that he is mostly guarded by Larry Bird, generally regarded as the best player in the sport.

Worthy exploded for 15 second-period points that helped the Lakers overcome a 48-38 deficit to assume a 65-59 halftime lead.

Los Angeles took command in the third period. After Boston had pulled to 71-67, the Lakers went on a 27-13 surge for a 98-80 margin. Worthy had 12 of his 14 third-period points in the run, capping it with a nifty steal from Scott Wedman and a flying fast-break dunk.

By then Boston Coach K.C. Jones could see the inevitable and benched many of his starters, including Parish and Bird. Bird scored 20

points, but he hit only 4 of 13 shots in the first half and finished 8-for-21.

The Celtics hit only one of their first 10 shots in the fourth quarter, allowing Riley to replace his starters. After having been beaten, 12-10, on the boards in the first period, the Lakers finished with a 49-37 rebound advantage.

The rough stuff started early. In the first quarter, Laker Bob McAdoo traded head-head elbows with McHale and then aimed an open-handed slap (it missed). Both received technical fouls.

Los Angeles trailed, 26-23, at the time, and still trailed by 48-46 midway through the second quarter when McAdoo pushed McHale into Quincy Johnson, and Johnson pushed McHale. Johnson got a technical, but the Lakers soon got the lead.

The Lakers' Kurt Rambis began hitting the floor with regularity. The first time, in the third period, it was with Danny Ainge on top of him as they were chasing a loose ball. They scuffled briefly before being separated.

In the fourth quarter, Rambis was ridden to the floor by Celtic guard Williams. They were contesting a rebound, but Williams fell with Rambis against some folding chairs near the Los Angeles bench. Williams was ejected.

After last season's title-series loss to the Celtics, the Lakers have realized that they have elbows too, and now a whole different fight is being shied on this series. Suddenly the Lakers are the baddies.

"The misconception about this team is that we run up and down the court and don't play physical," McAdoo said. "The closer a team gets to a ring, all hell could break loose. You don't get to the finals four straight years without being physical. We're tired of being called the patsy team from the West." (NYT, LIT)



